

RIVERSIDE, CALIFORNIA

UNTAPPED HIGH-END RETAIL DEMAND

Economists, retailers and developers are discovering Riverside, California's dramatic new demographics. Located within the *fastest-growing metro area in the nation*, and the *fastest-growing county in the state*, Riverside offers access to more than 1.5 million people within a 15-mile trade area. Pushing the area's growth is the influx of affluent home-buyers from Southern California's coastal communities. An estimated 80% of Riverside County's growth is coming from Orange, San Diego and LA Counties. They bring with them higher household incomes and discretionary spending.

The Riverside region is experiencing phenomenal development activity. Grubb and Ellis' most recent report ranks the Riverside region *#1 in all four real estate sectors in the entire country* (retail, office, industrial, and apartment). Inc. Magazine has just identified Riverside as the *second best place in the country for entrepreneurs to do business*.

"Corporate analysts have greatly underestimated the power and sophistication of the retail market in the City of Riverside"

John E. Husing, Ph.D, Economics & Politics, Inc.

Riverside's burgeoning marketplace presents an untapped demand for high-end products and services. Some facts:

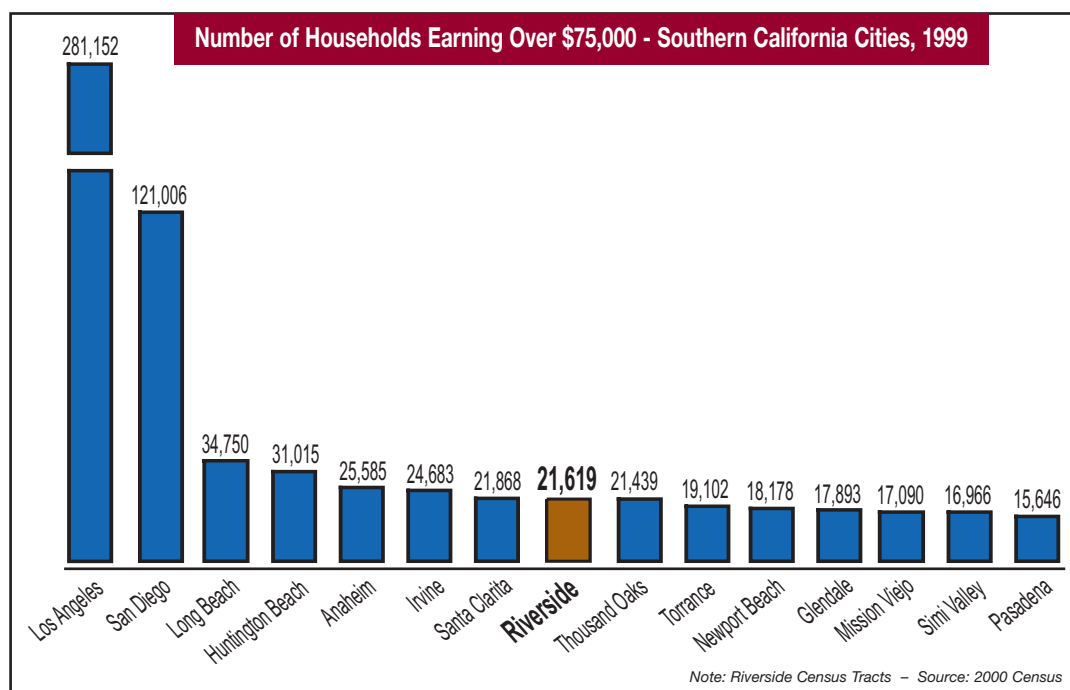
- **The California Retail Study 2004 ranks retail sales in the County of Riverside among the fastest-growing in CA – #1 in new car sales and #2 in restaurants. Retail trends in the City of Riverside are also growing rapidly, as evidenced by a 15% growth in auto sales, 11% increase in building materials and a 9% rise in apparel.**
- **The City of Riverside's population of 274,000 is projected to increase to 322,000 by 2010.**
- **Most local growth is occurring in areas with incomes averaging from \$76,800 to \$102,000.**
- **The City hosts four Colleges and Universities with more than 40,000 students, generating purchasing power not reflected in census numbers – University of California Riverside (UCR) students alone spend an estimated \$120 million annually on retail items.**
- **Retailers haven't yet caught up with the demand – the closest upscale retail centers are more than 48 miles away (South Coast Plaza in Orange County and Old Town, Pasadena).**



Economist John Husing, Ph.D, has identified distributions of income within the City of Riverside that help to document the unmet demand for higher-end goods and services. Dr. Husing's analysis reveals virtual "*cities within the city*" of high-income households - not reflected in citywide demographics. His eye-opening findings of this analysis are summarized below.

Riverside's 1999 "Cities within the City"

The City of Riverside's 1999 total population of 255,802 contained a 67,454-person "city within the city" of 21,619 households earning an average of \$75,000 or more. This represents the **8th largest concentration of households earning over \$75,000 in Southern California** - greater than Newport Beach, Thousand Oaks, and Glendale.



The City of Riverside also contained:

- A "City" of 53,941 households (168,300 pop.) with AHI of \$82,939
- A "City" of 43,684 households (136,300 pop.) with AHI of \$93,047
- A "City" of 21,612 households (67,454 pop.) with AHI of \$127,599

Another way to put Riverside's demographics in perspective...

If compared to Southern California's 31 wealthiest cities (*cities over 15,000 population with average household incomes greater than \$75,000*), **Riverside's 168,303-person "city within the city" is ranked 22nd, with an average household income of \$82,929, just behind Simi Valley (\$83,833) and above Santa Monica (\$80,903).**



CITY OF

RIVERSIDE

BE A PART OF IT